

**Amendments to the Specification:**

*Please insert the following paragraph on page numbered 1 after the "CLAIM OF BENEFIT TO PRIOR APPLICATIONS" Section which was inserted in the application by the Preliminary Amendment dated 4/7/2004 and before the "FIELD OF THE INVENTION" Section which starts on page numbered 1, line 10 of the original Specification:*

**--CROSS REFERENCE TO RELATED APPLICATIONS**

The present patent application is related to commonly owned application 10/716,316, entitled "Method of Implementing Improved Rate Control for a Multimedia Compression and Encoding System," filed on the same day.--

*Please replace the paragraph starting on page numbered 7, line 6 with the following paragraph:*

**Figure 1** illustrates a block diagram of a digital video encoder with which some embodiments are implemented.

*Please replace the paragraph starting on page numbered 8, line 14 with the following paragraph:*

**Figure 1** illustrates a high level block diagram of a typical digital video encoder **100** upon which some embodiments are implemented ~~as is well known in the art~~. The digital video encoder **100** receives incoming video stream **105** of video frames at the left of the block diagram. Each video frame is processed by a Discrete Cosine Transformation (DCT) unit **110**. The video frame may be processed independently (an intra-frame) or with reference to information from

other video frames received from the motion compensation unit (an inter-frame). A Quantizer (Q) unit **120** then quantizes the information from the Discrete Cosine Transformation unit **110**. The quantized frame information is then encoded with an entropy encoder (H) unit **180** to produce an encoded video bitstream.